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S E C R E T SECTION 01 OF 02 SANAA 001192

SIPDIS

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TASK FORCE ON TERRORIST FINANCING
TREASURY PASS OFAC

E.O. 12958: DECL: 05/25/2008

TAGS: [KVPR](#) [ETTC](#) [EFIN](#) [PTER](#) [PREL](#) [CVIS](#) [TERFIN](#) [COUNTER](#) [TERRORISM](#) [DEMARCHÉ](#)

SUBJECT: TERRORIST FINANCE: SANAA: PRENOTIFICATION OF
ADDITION OF AL AQSA FOUNDATION TO E.O. 13224 ASSET FREEZE
LIST

REF: A. SECSTATE 137082 B. SANAA 442

Classified By: DCM ALAN MISENHEIMER FOR REASONS 1.5 (B) AND (D)

SUMMARY

1. (S) Summary: The head of the Americas Desk at the Ministry of Foreign Affairs had little substantive comment on the USG designation of the al-Aqsa Foundation as a Foreign Terrorist Organization. Al-Aqsa is a sensitive subject in Yemen and USG efforts to extradite al-Aqsa's local leader, Sheikh Muhammad Ali Hassan al-Muayad, from his current German detention are not popular. We may see some public reaction to the designation: at the same time our demarche was presented, a public demonstration was calling for the release of al-Muayad. End Summary

REQUESTING ROYG COOPERATION

2. (S) On May 26, Pol/Econ Chief spoke with Abdul Salam al-Awadhi, the head of the MFA's America's desk, and Dirham al-Saidi, USA desk officer, about USG plans to freeze assets of the al-Aqsa Foundation and designate it as a Foreign Terrorist Organization. Using refTel talking points and background information (left as a non-paper) she emphasized current international cooperation to end terrorist financing, and Yemen's critical role in that campaign. To support these efforts, the USG urged ROYG action to investigate the local branch of the al-Aqsa Foundation, to freeze its assets and to block the transfer of its funds.

3. (S) Al-Awadhi responded very briefly on substance, noting that the issue remains sensitive. He believes the Al-Aqsa Foundation's Sanaa office is still open, but has no information about its activities. He recalled previous instances of close cooperation between Yemen and the US on terrorist matters, and promised that the al-Aqsa designation information would be promptly conveyed to the appropriate authorities and held confidential until the US public announcement.

4. (C) Al-Awadhi and al-Saidi spoke at some length about Islamic traditions of charity, without specifically mentioning al-Aqsa or its leader, Sheikh Muhammad al-Muayad. Yemenis, like other Arabs, were angered by the plight of the Palestinians and gave charity to help them. If such generosity had been subverted by terrorists, they agreed that governments must monitor charitable operations. However, not everyone who supported the Palestinians was a terrorist. The POL/ECON chief firmly rejected that linkage: the USG funds humanitarian relief to the Palestinians and encourages others to do so as well. Terrorism is an entirely different subject.

DEMONSTRATION FOR AL-MUAYAD

5. (C) Returning from the MFA, the Embassy vehicle was forced to detour several blocks by a demonstration in Tahrir (Liberation) Square. According to local press accounts, more than 5,000 people attended the demonstration in support of al-Muayad, calling for the ROYG to insist on his immediate release from German detention, and to resist US efforts to obtain his extradition. (RSO local staff estimated the actual number of demonstrators at around 800.)

6. (C) Islaah, the conservative Islamic political party that came second in Yemen's recent parliamentary elections, sponsored the rally. The popular prayer leader, radical Sheikh Abdul Majid al-Zindani addressed the crowd, calling on President Ali Abdullah Salih to protect al-Muayad and bring him home. According to press accounts, Salih recently authorized the use of public funds for al-Muayad's defense in the German courts, and plans to raise the matter during his previously scheduled visit to Germany next month.

THE GERMANS ARE QUERIED

17. (C) The German DCM in Sanaa has also told us that the German Embassy has received several recent queries from the ROYG on al-Muayad's status, and numerous messages from the Sheikh's supporters calling for his immediate release.

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